cision there, if appealable, might go on appeal to the circuit court of appeals of the Fourth circuit; the decision here to the circuit court of appeals of the Fifth circuit. Thus a conflict of authority with inevitable loss to investors and embarrassment to the public, might continue on indefinitely."

Citing *Freeman* v. *Howe*, 24 How. 450; *Buck* v. *Colbath*, 3 Wall. 345; *Craig* v. *Hoge*, 95 Va. 275; *Fertilizer Co.* v. *Prestwood*, 116 Ala. 119; *Willoughby* v. *Stockyards Co.*, 50 N. J. Eq. 656, 25 Atl. 277; *Water Power Co.* v. *Gray*, 6 Metc. (Mass.) 146; *Dewey* v. *Trust Co.*, 60 Vt. 1, 12 Atl. 224, 6 Am. St. Rep. 84; *Dannmeyer* v. *Coleman* (C. C.), 11 Fed. 97; *Harmon* v. *Auditor*, 123 Ill. 122, 13 N. E. 161, 5 Am. St. Rep. 502.

MUNICIPAL CORPORATIONS—NON-RESIDENT PROPERTY OWNERS—RES JUDICATA.—A city ordinance for the widening of a certain street was adjudged in a State court, in proceedings instituted by property owners in like case with complainant, to have been petitioned for by a majority in interest and numbers of the owners of property abutting on the line of a proposed improvement, and to have been duly passed by the city council and approved by the mayor. Upon a bill filed in the Federal court by a non-resident owner of certain of the abutting property, who was not a party to the proceedings in the State court, praying for an injunction against the city, on the ground that the ordinance had not been petitioned for by the requisite majority in interest, it was *Held*, That all property owners similarly affected with those who were parties to the proceeding in the State court, and who might have become parties, are concluded by the judgment therein.

Per Buffington, Dist. J.:

"Knowledge of the passage of this ordinance, as we have seen, must be imputed to the complainant. She takes no step either to appeal herself or to intervene in the petition of other property owners. But other abutting property owners, whose interests are identical with hers, begin proceedings to have this ordinance declared illegal. Without intervention on her part this case went to final hearing, and the validity of the ordinance was judicially decreed by the tribunal empowered to pass thereon. Upon what principle can she now attack such decree in a collateral proceeding? It is clear that the interests of the present complainant and that of the appellants in the common pleas case were identical. It was one common to both as members of a class. Where such common interest exists, one or more of a class may litigate such interest without making all class members parties. Story on Equity Pleadings, cited in *Smith* v. *Swormstedt*, 16 How. 302, 14 L. Ed. 942. Such facts constitute an exception to the general rule in courts of equity that all persons in interest must be parties to a bill; and where *bona fide* bills are filed and litigated by representatives of a class, and the subject-matter of the suit is common to all, the decree binds the entire class as fully as if all were before the court. *Smith* v. *Swormstedt*, *supra*. This well-settled principle of equity procedure has been applied in municipal litigation. A judgment against a municipality or its legal representatives in a matter of general interest to all its inhabitants—for example, respecting the levy and collection of a tax—is conclusive not only upon the municipal defendant, but upon all its inhabitants, though not made parties. Such inhabitant cannot collaterally attack such judgment, or relitigate the subject-matter. *Sauls* v. *Freeman*, 24 Fla. 222, 4 South. 525, 12 Am. St. Rep. 190; *Clark* v. *Wolf*, 29 Iowa, 197; *Gaskill* v. *Dudley*, 6 Metc. (Mass.), 546, 39 Am. Dec. 750; *Terry* v. *Town of Waterbury*, 35 Conn. 526; *Cromwell* v. *County of Sac*, 94 U. S. 351, 24 L. Ed. 195; *Lyman* v. *Faris*, 53 Iowa, 498, 5 N. W. 621; *Ashton* v. *City of Rochester*, 133 N. Y. 193, 30 N. E. 965, 31 N. E. 334, 28 Am. St. Rep. 619.

. . . . . .

But the binding effect of the decree extended beyond the immediate parties. The authorities cited are to the effect that not only were the immediate parties concluded thereby, but all citizens of Pittsburg were bound, because they and their interests were represented by the city, and all property holders abutting on the line of the street, because they and their common interests were represented by the appellants. The judgment of a court of competent jurisdiction will sometimes operate as an estoppel and a former adjudication against persons who were not named in the proceeding and who were not parties to the record by name. It is enough if they were represented in the action or proceeding which resulted in the judgment, or were entitled to be heard. *Ashton* v. *City of Rochester* (*supra*)."

FURTHER RULINGS IN BANKRUPTCY—*Fire Insurance—Claims of Lien Holders.*—The insurance which a person has on property is not an interest in the property itself, but is a collateral contract, personal to the insured, guaranteeing him against loss of the property by fire or other specified casualty, but not conferring upon him any interest in the property. A policy of insurance is a mere personal contract of indemnity against a possible loss, and money derived from policies of insurance taken out upon property by a pledgor is in no way liable for the payment of a lien or mortgage thereon, except by express agreement. Such contracts do not attach to the property insured. *In Re West Norfolk Lumber Co.* (D. C.), 112 Fed. 759. Citing *Wheeler* v. *Insurance Co.*, 101 U. S. 439; *The City of Norwich*, 118 U. S. 468. See this case reported in full elsewhere.

Supply Liens.—Liens for supplies furnished a manufacturing company under section 2485 of the Code of Virginia, although filed within four months prior to the adjudication of debtor as a bankrupt, are not obnoxious to the spirit of the Bankrupt Act as preferences, but will be recognized and paid according to the terms of the State statute. *In Re West Norfolk Lumber Co.* (D. C.), 112 Fed. 759.

Acts of Bankruptcy—Appointment of Receiver.—Only an act declared by the statute of 1898 to be an act of bankruptcy can be so construed. If an assignment is not general, it is not an act of bankruptcy. And the consent of one of the partners to the appointment of a receiver for the firm does not operate as a general assignment within the meaning of the Bankruptcy Act. *In Re Gilbert* (D. C.), 112 Fed. 951. Citing *In Re Empire Metallic Bedstead Co.*, 39 C. C. A. 372, 98 Fed. 981, where the following language was used:

"A petition for the appointment of a receiver is not that proceeding which is universally recognized as an assignment, and its 'equivalency' of result, if equivalency exists, is not important. The bankruptcy statute has said that the one is an act of bankruptcy, and has said nothing about the other in direct terms; and, when acts of bankruptcy are classified, as they are in the statute of 1898, it is not the province of a court to enlarge the classification because the omitted class seems to partake of the sin of the named class."

Duties of Trustees in Collection of Assets.—It is not the duty of a trustee to litigate every question that may be called to his notice by creditors, nor should he be permitted by requiring indemnity against costs, to cast the risk of controversy upon particular creditors. He should be vigilant and attentive, and should carry out in strictest good faith the provisions of the Bankrupt Act, where they are plainly applicable to estate in his charge. In doubtful cases he will be guided by the referee and the court. *In Re Baird* (D. C.), 112 Fed. 960.

Corporation Engaged in Saloon Business.—A corporation engaged in the business of buying and selling at retail, liquors and other beverages, and in the operation